

MEMORANDUM

To: All Councilmembers

From: CURO

By: Shannon Blanks

CC: Paul Harang and Theresa Becher

Date: March 17, 2021

RE: SWBNO Meeting 02.24.2021

EXECUTIVE SUMMARY

The Sewerage and Water Board of New Orleans (SWBNO) Board of Directors (the Board) met Wednesday, February 24, 2021, via video and teleconference. The full packet for the meeting may be found here. The Board received updates on the general standing of the Sewerage and Water Board.

The agenda was read aloud by SWBNO Counsel Yolanda Grinstead.

Mayor Cantrell opened the meeting with an update on funding for the SWBNO power system. The administration has received approximately \$20 million in state capital outlay dollars to construct the Carrollton Power Complex. \$14 million is expected in Hazard Mitigation Grant Program (HMGP) dollars which are slated for the static frequency changers, and an opportunity to access \$34 million of funding for the power complex is available at the next legislative session, which will convene at noon on Monday, April 12, 2021. Additional information may be found here.

Additionally, SWBNO submitted the first quarterly report to the New Orleans City Council Public Works, Sanitation and Environment Committee, as required by Louisiana Revised Statute 33:4091. The report may be found here.

March 4, 2021, the Infrastructure Advisory Board met and provided information on funding sources and spending. The meeting may be accessed <u>here</u>, and additional information may be found <u>here</u>.

Executive Director Report

A. General Superintendent

Bob Turner, the General Superintendent of Operations (GSO) for the SWBNO, retired, effective March 4, 2021. Ron Spooner, the present Chief of Engineering, has been appointed interim GSO. Additional details may be found here.

B. Freeze Emergency Recap

New Orleans experienced a hard freeze from February 15th through 16th. At the onset of the storm, SWBNO assessed the water pumping and power availability. Whereas six of eight potable water pumps were available for use, one of five turbine power generators and 5 Electro-Motive Diesel (EMD) generators were available. The Governor's Office of Homeland Security and Emergency Preparedness and the New Orleans Office of Homeland Security and Emergency Preparedness provided a means to add two additional generators, which added 4 MW of power.

A short-term loss of Entergy power was experienced for the water intake and chemical injection systems. The power was restored, and potable water services were uninterrupted during the event.

SWBNO held a press conference to inform the public of the possible impacts of the freeze and provide instructions for residents to protect their plumbing and potable water system integrity.

SWBNO also provided updates throughout the event via press releases, news media, social media, and text alerts.

C. Power

<u>EMDs (5)</u> – Available for use and provide a cumulative 12.5 MW of power. SWBNO continues to improve and test the EMDs to ensure greater reliability.

<u>Carrollton Frequency Changers 1 & 2</u> – Available for use and converts 60 Hz to 25 Hz provides a cumulative 8.5 MW of power.

<u>Station D frequency Changers 3 & 4</u> – Available for use and converts 60 Hz to 25 Hz, provides a cumulative 12 MW of power.

Turbine 1 ("T1") – Available for use and provides approximately 6 MW of power.

<u>Turbine 4 ("T4")</u> – Out of Service. The unit will return to service the first week of May 2021. This unit can provide 20 MW of power. Funding for this project comes from the drainage system funds.

<u>Turbine 5("T5")</u> – Out of Service. The unit will return to service the third week of June 2021 and provide 20 MW of power for the remainder of its useful life (5 to 10 Years). Funding for this project comes from insurance proceeds.

The completion of T4 and T5 will return significant power capacity and redundancy to the drainage and water systems at the onset of hurricane season.

<u>Turbine 6 ("T6")</u> – T6 is available for use in temperatures greater than 42°F and provides 15 MW of power. The weatherization of the unit is underway and will be complete in mid-April 2021. Funding for this project comes from Fair-Share one-time funds.

<u>Substation Site Prep</u> – The site work is underway and will be complete in November 2021. Funding for this project comes from state capital outlay

Static Frequency Changer – Purchase and installation of the equipment is expected in 2022.

This project is estimated to cost \$16 million and is partially funded. This project's funding comes from multiple sources, with \$13million in Fair Share/HMGP funds and Capital Outlay funds (pending approval).

<u>Turbine 7 ("T7")</u> – T7 is a planned new turbine. Commissioning for the unit is expected in early 2023. This project is estimated to cost \$18 to \$ 20 million. This project's funding comes from multiple sources with \$13 million CDBG funds and \$4 million Fair Share recurring funds.

<u>Power Substation</u> – The complete power substation integration is expected in 2023. The project is partially funded by multiple sources. Funding negotiations and structuring are underway.

Full integration and implementation of the power master plan is estimated to cost approximately \$500 million. The funding sources for each of the phases and respective components have not been fully identified.

D. Meter Reading

SWBNO collected actual readings on 64 percent of meters in February 2021. The decrease in the percentage of actual readings is a result of the conclusion of the staff augmentation contract with Olameter.

SWBNO has filled 53 of the 60 positions in the meter reading department. Twenty-four new meter readers are in training and will be available by March 15, 2021. SWBNO continues to advertise to fill seven vacant positions in the department. The department's full capacity is expected to meet or exceed the goal of 80% of actual readings.

SWBNO is in the process of confirming a funding source for the advanced metering infrastructure (AMI) project and intends to solicit a Request for Proposal (RFP) to furnish and install AMI at the end of 2021.

E. Customer Service

Mr. Rene Gonzalez, the Chief Customer Service Officer, is working on department morale and standardizing process improvements.

SWBNO process improvement goals for the next six months focus on execution and accountability in the following areas:

- 1. Bill escalation processes with established timelines for response and resolutions
- 2. Written and published revised guidelines for bill disputes with a focus on efficiency
- 3. A continued increase in actual meter readings
- 4. The completion of phase one of the AMI program